

State Planning Project for the Uninsured
Advisory Council

LOW-COST INSURANCE OPTIONS FOR CHILDREN

Numerous insurance companies have low-cost health insurance options for children who do not have pre-existing conditions. These plans have varying deductibles from \$500 to \$5000 and various co-pays. Some have a network and others are PPOs. The lowest cost plan has a \$5000 deductible, 20% co-insurance, and a network; it does not cover office visits and costs \$26/month. A similar plan with \$2500 deductible is \$30/month.

There is a broad array of plans from Golden Rule, Humana, MedOne, Celtic, Time Insurance, and UniCare with policies ranging from a \$500 deductible for a PPO with 20% co-pays, \$25 for office visits and a drug card with \$10 co-pays for generics and \$30 brand name drugs for \$110/month, to the very low cost plans cited above.

Too many parents are not aware of these options as evidenced by the testimony we heard at town hall meetings and through communications to DCH in response to our website. Aggressive marketing of these low cost options could improve insurance rates among children.

Such insurance could be a viable option for children in higher income families that could afford the premiums, deductibles and co-payments and who did not have pre-existing conditions.

LOW-COST INSURANCE OPTIONS FOR YOUNG ADULTS

At least seven insurance companies offer low-cost health insurance policies to young adults in Michigan who are unmarried, have no children, are between the ages of 19 and 29 and don't have certain pre-existing conditions. These plans have varying deductibles from nothing to \$5000 and various co-pays. Some have a network, others are PPOs, while some are traditional plans. The lowest cost plan has a \$5000 deductible, 20% co-insurance, and a network; it does not cover office visits and costs \$25/month. A similar plan with \$2500 deductible is \$29/month. Another company has a PPO plan with \$5000 deductible and 20% coinsurance with a 20% co-pay for office visits after the deductible is covered for \$34/month. A traditional plan for \$52/month has a \$1000 deductible, a 30% co-pay with \$2500 maximum co-pays, and covers 70% of the cost of hospitalization, and mental health, emergency, diagnostic, physician, transplants, home, and hospice care after the deductible.

There is a broad array of plans from Golden Rule, Humana, MedOne, Celtic, Time Insurance, UniCare, and BCBS; ranging from \$500 deductible for a PPO with 20% co-pays and a drug card with \$10 co-pays for generics and \$30 brand name drugs for \$126/month to the very low cost plans cited above.

Many young adults and their parents are not aware of these options as evidenced by the response of some Advisory Council members when this was discussed at a previous meeting. Marketing of these low cost options to both young adults and their parents could improve insurance rates among individuals aged 19 to 29, which is the age group with the highest rate of uninsurance.